



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
[www.bpu.state.nj.us](http://www.bpu.state.nj.us)

WATER & WASTEWATER

IN THE MATTER OF THE PETITION OF	)	
NEW JERSEY-AMERICAN WATER COMPANY, INC.	)	
FOR AUTHORIZATION AND APPROVAL OF A GRANT	)	ORDER
OF A MUNICIPAL CONSENT TO NEW JERSEY-	)	
AMERICAN WATER COMPANY, INC. TO SERVE THE	)	
TOWNSHIP OF MANSFIELD, COUNTY OF WARREN	)	DOCKET NO. WE03030155

(SERVICE LIST ATTACHED)

BY THE BOARD<sup>1</sup>:

By petition filed on March 3, 2003, New Jersey-American Water Company, Inc. ("New Jersey-American" or "Company"), a public utility subject to the jurisdiction of the Board of Public Utilities ("Board"), requested Board approval of a municipal consent granted by the Township of Mansfield ("Township"). Said consent, which was adopted by the Township on August 28, 2002, in the form of Ordinance No. 2002-13, authorized New Jersey-American to extend its proposed service territory within the Township and, in furtherance of that extension, to construct and maintain water facilities on public property throughout that geographical area of the Township as delineated in the Ordinance.

After appropriate notice, a hearing in this matter, pursuant to N.J.S.A. 48:2-14, was held on December 16, 2003, at the Board's Newark offices before Donna Pereksta Luhn, Esq., the Board's duly designated Hearing Officer.

At the hearing, New Jersey-American relied upon the testimony of Michael J. Roberti, the Northern Service Delivery Manager. Mr. Roberti is responsible for the distribution systems of the Elizabethtown Water Company and New Jersey-American, Short Hills/Washington operations. Mr. Roberti stated that a developer approached the Company, requesting that it provide water service to the developer's proposed development. It should be noted that the franchise area which is the subject of this petition is contiguous to the franchise area for which New Jersey-American received approval upon its' acquisition of the Anderson Water System in BPU Docket No. WM02020064, which was approved on August 19, 2003.

The current petition will, therefore, be an extension of the existing New Jersey-American main in Mansfield Township. The Company was asked by the Township to accept this franchise area because there is a 226 home senior citizens residential development planned for the Township.

---

<sup>1</sup> Commissioner Frederick F. Butler did not participate in the deliberation or vote in this matter.

Approximately 150 of the proposed homes are in the area of the earlier municipal consent BPU Docket No. WM 02020064, while the remaining 76 proposed homes in the development are in the portion of the Township that is the subject of this current petition.

Mr. Roberti described the location of the proposed senior citizen housing development. It would be located north of Anderson Road, in the area which would be north and going east, paralleling the Conrail tracks between Route 57 and Howard. The proposed franchise area, which is adjacent to New Jersey-American's existing franchise area, is located in Planning Areas 4 and 5. As the senior housing project is still in the design and planning stages, Mr. Roberti does not have a timetable from the developer. Mr. Roberti stated that New Jersey-American did not pay any fee to Mansfield Township for the privilege of serving the new franchise area.

New Jersey-American will not be spending any of its own capital funds to construct the water system for the proposed development, according to Mr. Roberti. The cost will be borne by the developer. The rates to be charged will be Board approved tariff rates. There is no connection fee for the proposed customers. Questioned as to the presence of an on-site manager for the proposed service territory, Mr. Roberti stated that the Company has an office in Washington, several miles west of the proposed franchise area that will oversee the new franchise area.

By letter dated, February 10, 2004, the Division of Ratepayer Advocate stated that it does not oppose approval of the consent since New Jersey-American has previously demonstrated its ability to provide reliable service within its various service areas in New Jersey.

The Board would note that the expanded franchise area is situated within "Planning Areas 4 and 5", as designated by the State Development and Redevelopment Plan ("Plan"). As the facilities contemplated for the construction and installation within the franchise area are serving development that is not within a Plan-designated center, the Board is of the opinion that the development that is the subject of the pending petition is inconsistent with the Plan and, therefore, is inconsistent with the State's Smart Growth policy. Based on the particular facts of this case, the Board is not directing that approval of this municipal consent be withheld on smart growth grounds. However, the Board is in the process of examining all appropriate means, including rulemaking proceedings consistent with the provisions of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., by which the Board can ensure compliance in future proceedings with the State Plan and the State's Smart Growth policy to the greatest extent possible within the bounds of its jurisdiction.

Based upon a review of the record, the Board, pursuant to N.J.S.A. 48:2-14, HEREBY APPROVES the consent granted to New Jersey-American Water Company, Inc. for the provision of water services to portions of the Township of Mansfield, including the new senior housing development contiguous to the Anderson System.

In addition, the Board HEREBY ORDERS that all water service provided in the new service area be billed at the level of those rates contained in the current tariff of New Jersey-American Water Company, Inc. approved by and on file with the Board. Said rates shall remain in effect until modified by the Board.

The approvals granted hereinabove shall be subject to the following provisions:

1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by New Jersey-American Water Company, Inc.

2. This Order shall not effect nor in any way limit the exercise of the authority of this Board or of this State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting New Jersey-American Water Company, Inc.
3. In an appropriate subsequent proceeding, the Petitioner shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers. Approval of this municipal consent does not include authorization to include in new rate base the specific assets that will be completed as a result of the new territory.
4. Approval of this municipal consent ordinance does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise, including but not limited to, cost of construction, contributions in aid of construction, the cost of connection, or any related capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding.

DATED: **July 23, 2004**

BOARD OF PUBLIC UTILITIES  
BY:

**SIGNED**

---

JEANNE M. FOX  
PRESIDENT

**SIGNED**

---

CAROL J. MURPHY  
COMMISSIONER

**SIGNED**

---

CONNIE O. HUGHES  
COMMISSIONER

**SIGNED**

---

JACK ALTER  
COMMISSIONER

ATTEST:

**SIGNED**

KRISTI IZZO  
SECRETARY

In the Matter of the Petition of New Jersey-American Water Company, Inc.  
for Authorization and Approval of a Grant of a Municipal Consent to  
New Jersey-American Water Company, Inc. to Serve the  
Township of Mansfield, County of Warren

Docket No. WE03030155

SERVICE LIST

Jacquelynn B. Hугee, Esq.  
New Jersey-American Water Co.  
Suite 224  
989 Lenox Drive  
Lawrenceville, NJ 08648

Seema M. Singh, Esq.  
Robert J. Brabston, Esq.  
Bernard M. Smalls  
Division of the Ratepayer Advocate  
31 Clinton Street, 11<sup>th</sup> floor  
Newark, NJ 07101

Andrea C. Crane  
The Columbia Group, Inc.  
38 C Grove Street, 2<sup>nd</sup> floor  
Ridgefield, CT 06877

Carla V. Bello, SDAG  
Division of Law  
124 Halsey Street, 5<sup>th</sup> floor  
Newark, NJ 07101

William D. Lavery, Jr., Esq.  
Cozen O'Connor  
Liberty View Building, Suite 300  
457 Haddonfield Road  
Cherry Hill, NJ 08002

Maria L. Moran  
Jeffrey Mitchell  
Bureau of Conservation & Engineering  
Division of Water and Wastewater  
Two Gateway Center  
Newark, NJ 07102

Michael J. Roberti, Manager  
New Jersey-American Water Company, Inc.  
167 JFK Parkway  
Short Hills, NJ 07078